OIL CONSCANDING DIN 1:31

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

CASE NO. 12,086

(Continued)

ORIGINAL

CONTINUED CASE

TRANSCRIPT OF PROCEEDINGS

BEFORE: LORI WROTENBERY, CHAIRMAN JAMI BAILEY, COMMISSIONER ROBERT LEE, COMMISSIONER

March 25th, 1999

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Thursday, March 25th, 1999, at the New Mexico Energy, Minerals and Natural Resources Department, Secretary's Conference Room, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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REPORTER'S CERTIFICATE

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APPEARANCES

FOR THE COMMISSION:

LYN S. HEBERT
Deputy General Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

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WHEREUPON, the following proceedings were had at 1 2 9:00 a.m.: CHAIRMAN WROTENBERY: We'll get this meeting of 3 the Oil Conservation Commission started here. 4 It's 9:00 a.m. on March -- what is today, the 5 6 twenty- --MS. HEBERT: 25th. CHAIRMAN WROTENBERY: -- 25th, 1999. 8 We're in the Conference Room of the Office of the 9 Secretary today, a little bit different location than where 10 we usually meet. But we have a short agenda; I think we'll 11 be able to get through here in a matter of probably 15 or 12 20 minutes. 13 Probably the most important item on the agenda is 14 to introduce everybody to Dr. Robert Lee. This is his 15 first meeting as a member of the Commission. 16 Salisbury has appointed him to the Commission, and we're 17 very glad to have somebody of his talents and reputation 18 serving --19 COMMISSIONER LEE: Thank you. 20 CHAIRMAN WROTENBERY: -- with us. 21 My name is Lori Wrotenbery, I'm Chairman of the 22 Oil Conservation Commission. To my right is Jami Bailey, 23 Commissioner Jami Bailey. She represents Land Commissioner 24 Ray Powell on the Oil Conservation Commission.

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Dr. Lee, primarily for your benefit here, let me introduce Florene Davidson, Commission Secretary, among other things. That's her role here today.

Lyn Hebert, the Commission's legal counsel.

And then we have Rand Carroll, counsel for the Oil Conservation Division.

Mike Stogner heads up the Engineering Bureau within the Oil Conservation Division.

And Steve Brenner, our court reporter who will be taking down the proceedings here today.

I don't know if you have any questions about process that you'd like to get into. We might just move along, and then if at any point in the meeting you have any questions about how we usually proceed in these cases, feel free to bring it up.

We ordinarily start out looking at the minutes of the last meeting, and we've got that as the first item on the agenda today. I believe these were circulated to Jami. I don't think you, Dr. Lee, have had an opportunity to review these. If you'd like to take some time to review, you're welcome to. Or since you weren't at the meeting, if you just want to abstain on this particular item, I think that would be appropriate too.

COMMISSIONER BAILEY: And I do move to accept the meetings of the last meeting.

CHAIRMAN WROTENBERY: Great, and I will second that motion. All in favor say "aye".

COMMISSIONER BAILEY: Aye.

CHAIRMAN WROTENBERY: Aye. Steve, if you would just show Commissioner and I voting in favor and Dr. Lee abstaining on this particular item. But you'll be there next time.

COMMISSIONER LEE: Okay.

* * *

CHAIRMAN WROTENBERY: Okay, we did have one case that was scheduled for the meeting today. That's Case 12,086, the Application of Yates Petroleum Corporation and Hanley Petroleum, Inc., for allowable reduction and the escrow of petroleum proceeds, Lea County, New Mexico.

This particular Application has been continued at the request of the Applicant to the Commission's meeting on April 22nd, 1999, so there's not anything further that we need to do with that today.

And just to give you a heads-up, this particular case may actually go back to a hearing before a Division Examiner before it comes back to the Commission, the way it looks like it's developing at this point. We anticipate that there will be an application filed for expansion, for further expansion of this unit, and so we're anticipating

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that it may well be referred back to the Division Hearing
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     Examiners for hearing before it comes back to the
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     Commission.
                (Thereupon, these proceedings were concluded at
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     9:03 a.m.)
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL March 25th, 1999.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 2002